

Amendments to House Bill No. 651
1st Reading Copy

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HB 651

Requested by Representative Jill Cohenour

For the House Taxation Committee

Prepared by Jeff Martin
March 26, 2009 (4:14pm)

1. Title, page 1, line 15.

Strike: "ASSESSED" through "PROPERTY"

2. Title, page 1, line 17.

Following: "SECTIONS"

Insert: "15-1-101,"

3. Page 5, line 24.

Following: "state"

Insert: "with substantially the same laws"

4. Page 5.

Following: line 25

Insert: "Section 9. Section 15-1-101, MCA, is amended to read:

"15-1-101. **Definitions.** (1) Except as otherwise specifically provided, when terms mentioned in this section are used in connection with taxation, they are defined in the following manner:

(a) The term "agricultural" refers to:

(i) the production of food, feed, and fiber commodities, livestock and poultry, bees, biological control insects, fruits and vegetables, and sod, ornamental, nursery, and horticultural crops that are raised, grown, or produced for commercial purposes; and

(ii) the raising of domestic animals and wildlife in domestication or a captive environment.

(b) The term "assessed value" means the value of property as defined in 15-8-111.

(c) The term "average wholesale value" means the value to a dealer prior to reconditioning and the profit margin shown in national appraisal guides and manuals or the valuation schedules of the department.

(d) (i) The term "commercial", when used to describe property, means property used or owned by a business, a trade, or a corporation as defined in 35-2-114 or used for the production of income, except property described in subsection (1)(d)(ii).

(ii) The following types of property are not commercial:

(A) agricultural lands;

(B) timberlands and forest lands;

(C) single-family residences and ancillary improvements and

improvements necessary to the function of a bona fide farm, ranch, or stock operation;

(D) mobile homes and manufactured homes used exclusively as a residence except when held by a distributor or dealer as stock in trade; and

(E) all property described in 15-6-135.

(e) The term "comparable property" means property that:

(i) has similar use, function, and utility;

(ii) is influenced by the same set of economic trends and physical, governmental, and social factors; and

(iii) has the potential of a similar highest and best use.

(f) The term "credit" means solvent debts, secured or unsecured, owing to a person.

(g) (i) "Department", except as provided in subsection (1) (g) (ii), means the department of revenue provided for in 2-15-1301.

(ii) In chapters 70 and 71, department means the department of transportation provided for in 2-15-2501.

(h) The terms "gas" and "natural gas" are synonymous and mean gas as defined in 82-1-111(2). The terms include all natural gases and all other fluid hydrocarbons, including methane gas or any other natural gas found in any coal formation.

(i) The term "improvements" includes all buildings, structures, fences, and improvements situated upon, erected upon, or affixed to land. When the department determines that the permanency of location of a mobile home, manufactured home, or housetrailer has been established, the mobile home, manufactured home, or housetrailer is presumed to be an improvement to real property. A mobile home, manufactured home, or housetrailer may be determined to be permanently located only when it is attached to a foundation that cannot feasibly be relocated and only when the wheels are removed.

(j) The term "leasehold improvements" means improvements to mobile homes and mobile homes located on land owned by another person. This property is assessed under the appropriate classification, and the taxes are due and payable in two payments as provided in 15-24-202. Delinquent taxes on leasehold improvements are a lien only on the leasehold improvements.

(k) The term "livestock" means cattle, sheep, swine, goats, horses, mules, asses, llamas, alpacas, bison, ostriches, rheas, emus, and domestic ungulates.

(l) (i) The term "manufactured home" means a residential dwelling built in a factory in accordance with the United States department of housing and urban development code and the federal Manufactured Home Construction and Safety Standards.

(ii) A manufactured home does not include a mobile home, as defined in subsection (1) (m), or a mobile home or housetrailer constructed before the federal Manufactured Home Construction and Safety Standards went into effect on June 15, 1976.

(m) The term "mobile home" means forms of housing known as

"trailers", "housetrailers", or "trailer coaches" exceeding 8 feet in width or 45 feet in length, designed to be moved from one place to another by an independent power connected to them, or any trailer, housetrailer, or trailer coach up to 8 feet in width or 45 feet in length used as a principal residence.

(n) The term "personal property" includes everything that is the subject of ownership but that is not included within the meaning of the terms "real estate" and "improvements" and "intangible personal property" as that term is defined in 15-6-218.

(o) The term "poultry" includes all chickens, turkeys, geese, ducks, and other birds raised in domestication to produce food or feathers.

(p) The term "property" includes money, credits, bonds, stocks, franchises, and all other matters and things, real, personal, and mixed, capable of private ownership. This definition may not be construed to authorize the taxation of the stocks of a company or corporation when the property of the company or corporation represented by the stocks is within the state and has been taxed.

(q) The term "real estate" includes:

(i) the possession of, claim to, ownership of, or right to the possession of land;

(ii) all mines, minerals, and quarries in and under the land subject to the provisions of 15-23-501 and Title 15, chapter 23, part 8;

(iii) all timber belonging to individuals or corporations growing or being on the lands of the United States; and

(iv) all rights and privileges appertaining to mines, minerals, quarries, and timber.

(r) "Recreational" means hunting, fishing, swimming, boating, waterskiing, camping, biking, hiking, and winter sports, including but not limited to skiing, skating, and snowmobiling.

(s) "Research and development firm" means an entity incorporated under the laws of this state or a foreign corporation authorized to do business in this state whose principal purpose is to engage in theoretical analysis, exploration, and experimentation and the extension of investigative findings and theories of a scientific and technical nature into practical application for experimental and demonstration purposes, including the experimental production and testing of models, devices, equipment, materials, and processes.

(t) The term "stock in trade" means any mobile home, manufactured home, or housetrailer that is listed by the dealer as inventory and that is offered for sale, is unoccupied, and is not located on a permanent foundation. Inventory does not have to be located at the business location of a dealer or a distributor.

(u) The term "taxable value" means the percentage of market or assessed value as provided for in Title 15, chapter 6, part 1.

(2) "Contingent fee appraisal" when used in Title 15 is any

appraisal, opinion of value, or other assignment:

(a) for which any part of the compensation for the appraisal is contingent on:

(i) the reporting of a predetermined result;

(ii) a direction in assignment results that favors the cause of the client;

(iii) the amount of a value opinion;

(iv) the attainment of a stipulated result; or

(v) the occurrence of a subsequent event directly related to an appraiser's opinion and specific to the assignment's purpose; or

(b) that was prepared at the direction of or provided to any person who is compensated by the taxpayer in whole or in part on a contingent fee basis."

~~(2)~~ (3) The phrase "municipal "Municipal corporation" or "municipality" or "taxing unit" includes a county, city, incorporated town, township, school district, irrigation district, or drainage district or a person, persons, or organized body authorized by law to establish tax levies for the purpose of raising public revenue.

~~(3)~~ (4) The term "state "State board" or "board" when used without other qualification means the state tax appeal board."

{ Internal References to 15-1-101: x to all

15-1-201	15-6-133	15-6-134	15-6-145
15-6-145	15-6-145	15-7-202	15-7-202
15-24-202	15-30-602	20-15-403	27-1-724
61-1-101	69-12-331	70-33-103	70-33-103
76-2-202	76-2-302	}	"

Renumber: subsequent sections

5. Page 8, line 18.

Following: " ; "

Strike: "and"

6. Page 8, line 21.

Following: "15-7-111"

Insert: " ; and

(iv) if the aggregate statewide protested amount on valuation grounds exceeds \$250,000, have included with the payment a qualified appraisal supporting the protested amount"

7. Page 8, line 23.

Strike: " ; "

8. Page 8, line 24.

Strike: "(i)"

9. Page 8, line 25 through line 27.

Strike: " ; and" on line 25 through "amount" on line 27

10. Page 8, line 28.

Strike: "(d)"

11. Page 8, line 29.

Strike: "(1) (d)"

Insert: "(1) (c)"

12. Page 13, line 9 through line 19.

Strike: subsection (c) in its entirety

13. Page 14, line 10 through line 11.

Strike: "As" on line 10 through "15-2-301." on line 11

14. Page 16, line 29.

Strike: "penalties"

Insert: "penalty"

Strike: "[sections" through "apply"

Insert: "[section 3] applies"

Following: ", to"

Insert: "reportable transactions that occur in"

15. Page 16.

Following: line 30

Insert: "(3) The penalty imposed in [section 5] applies to activities occurring after [the effective date of this act]."

Renumber: subsequent subsections

16. Page 17, line 1.

Strike: "14"

Insert: "15"

17. Page 17, line 3.

Strike: "11"

Insert: "12"

18. Page 17, line 5.

Strike: "10"

Insert: "11"

19. Page 17, line 7.

Strike: "10(9)"

Insert: "11(9)"

20. Page 17, line 9.

Strike: "15"

Insert: "16"

21. Page 17, line 12.

Strike: "9"

Insert: "10"

22. Page 17, line 13.

Strike: "13"

Insert: "14"

Strike: "14"

Insert: "15"

- END -